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~~TOP SECRET~~

August 16, 1960

Synopsis of State and Intelligence material reported to the President

LAOS

The situation in Laos is still fuzzy. The king has designated Souvanna Phouma, who was Premier in 1956 and 1957, as Prime Minister. Souvanna has said that the new cabinet will contain no military figures. It is expected that he himself will hold the post of Minister of Defense. Apparently Souvanna is wiser than he had been when he held office three years ago, but he still is of the opinion that the best way to end Laotian civil war and difficulties is to negotiate with the Pathet Lao. Our Ambassador is going to attempt to make him aware of the dangers of including the Pathet Lao in the government. Apparently, his policy comes from generally widespread sentiments of the population.

The semi-official Lao press, on August 13th, carried a clarification of developments for the foreign community and denied that the rebels had asked Americans to leave Laos, or that Souvanna was back of the coup. However, the victory parade lead by Kong Le carried some banners in Lao, French and English which said "PEO (Project Evaluation Organization) we don't need you." Additionally, the situation remains so confused that anarchy is likely to develop during the period and there is no strong government in control. General Heintge's assistant, named Jack Wood (who may have been General Gruenther's aide) has requested [redacted] military [redacted] help.

The military situation is aggravating things to some extent. Kong Le's troops are becoming weary and more negligent all the time. There is a possibility of Phoumi infiltration into the center of Vientiane. In addition, Phoumi has dropped leaflets on Vientiane indicating he will return. Our diplomats are trying to convince him that while they appreciate his support they oppose any military effort on his part to gain control of or split Laos. If he goes ahead, there is a danger that Pathet Lao rebels may intervene on behalf of Kong Le. (Here the President read Current Intelligence Memorandum OCI No. 4125/60, subject: Indications of Impending Armed Conflict in Laos. This memorandum states that Phoumi has begun his counter-coup yesterday with forces estimated at perhaps five companies. He expects to pick up additional units. It states that the king has instructed Phoumi to drop this effort, but Phoumi has ignored the order. It gives as the two major immediate dangers, (1) that Pathet Lao may join Kong Le; and (2) that Kong Le may retaliate against his hostages in Vientiane.)

DECLASSIFIED WITH DELETIONS
E.O. 12958, SEC. 3.6(b)
Agency Case 1998-00589; CO-1998-00011
NLE Case 98-11345
By BBM NLE Date 1/22/99